

Senate Bill No. 1230

Passed the Senate July 15, 1999

Secretary of the Senate

Passed the Assembly July 6, 1999

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 1999, at _____ o'clock ____M.

Private Secretary of the Governor

└

CHAPTER _____

An act to add and repeal Article 9.5 (commencing with Section 18805) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1230, Burton. Income taxes: designations: California Peace Officer Memorial Foundation.

Under existing income tax laws, taxpayers are allowed to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would additionally allow taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California Peace Officer Memorial Foundation Fund, which would be created by this bill. It would require money in that fund, upon appropriation by the Legislature, to be allocated to the California Peace Officer Foundation for the building and maintaining of a memorial to California peace officers as specified.

The bill would require the Franchise Tax Board to revise the form of tax returns to provide for the designation and would allow, upon appropriation by the Legislature, the Franchise Tax Board and the Controller to receive a portion of the funds designated to cover costs incurred in collecting and administering the funds.

The bill would provide that these provisions shall remain in effect only until January 1, 2006, unless a later enacted statute enacted before January 1, 2006, deletes that date. However, the bill would also provide that these provisions are deleted for taxable years beginning on or after January 1 of the calendar year in which the Franchise Tax Board estimates by September 1 that the contributions made on returns filed in that calendar year will be less than \$250,000.



The people of the State of California do enact as follows:

SECTION 1. Article 9.5 (commencing with Section 18805) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 9.5. Designations to the California Peace
Officer Memorial Foundation Fund

18805. (a) Any taxpayer may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Peace Officer Memorial Foundation Fund, which is established by Section 18806. That designation is to be used as a voluntary checkoff on the tax return.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on the joint return.

(c) A designation shall be made for any taxable year on the initial return for that taxable year, and once made shall be irrevocable. In the event that payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made. In the event that no designee is specified, the contribution shall be transferred to the General Fund, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and the administration of funds under this article.

(d) In the event a taxpayer designates a contribution to more than one account or fund listed on the tax return, and the amount available for designation is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) The Franchise Tax Board shall revise the forms of the return to include a space labeled the "California Peace Officer Memorial Foundation Fund" to allow for the designation permitted. The forms shall also include in the instructions information that the contribution may be

in the amount of one dollar (\$1) or more and that the contribution shall be used to build and maintain the California Peace Officer Memorial in Sacramento, California, and for activities performed by the California Peace Officer Memorial Foundation in support of families of slain peace officers.

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 for any contribution made pursuant to subdivision (a).

18806. There is in the State Treasury the California Peace Officer Memorial Foundation Fund to receive contributions made pursuant to Section 18805. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money which taxpayers have designated pursuant to Section 18805 to be transferred to the California Peace Officer Memorial Foundation Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Peace Officer Memorial Foundation Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18805 for payment into that fund. It is the intent of the Legislature that the tax return for the 1999 taxable year include a space for the California Peace Officer Memorial Foundation Fund.

18807. All money transferred to the California Foundation Memorial Foundation Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the California Peace Officer Memorial Commission for building and maintaining the California Peace Officer Memorial in Sacramento, California, and for activities performed by the California Peace Officer Memorial Foundation in support of families of slain peace officers.



18808. (a) This article shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2006, deletes that date.

(b) If, in any calendar year the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars (\$250,000), or the adjusted amount specified in subdivision (c), as may be applicable, then this article is repealed with respect to taxable years beginning on and after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 2001, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.



Approved _____, 1999

Governor

